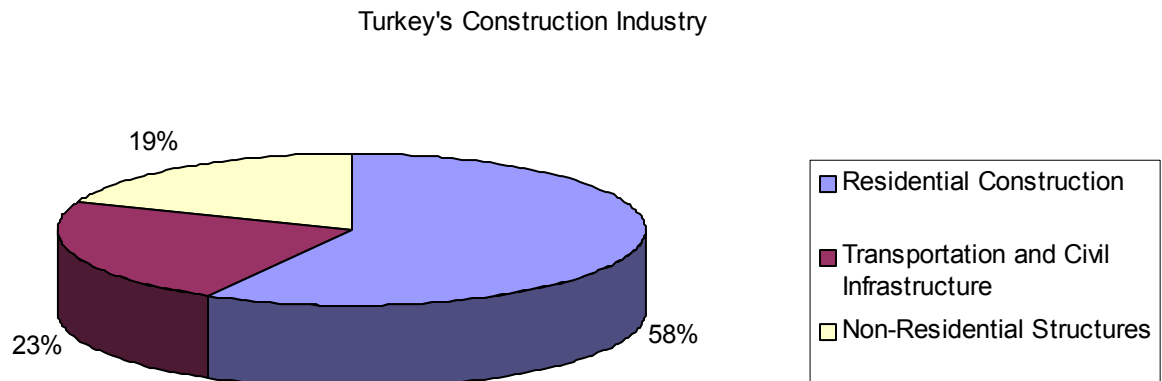


## Architectural and Engineering Services

### **Market Overview**

The construction industry in Turkey is a leading generator of jobs and revenues domestically, and Turkish contractors are active in 49 countries that span 4 continents. With a population of over 70 million and a rapid urbanization and population growth of 1.4 million people per year, Turkey continue to experience high demand for new housing units. Currently, housing unit construction is at 450,000 units annually. The earthquakes in Izmit and Duzce created an additional shortage of over 250,00 housing units in 1999. According to the Mass Housing Directorate (TOKI), shortage of housing units is expected to reach to 1.5 million units over the next 5 years.

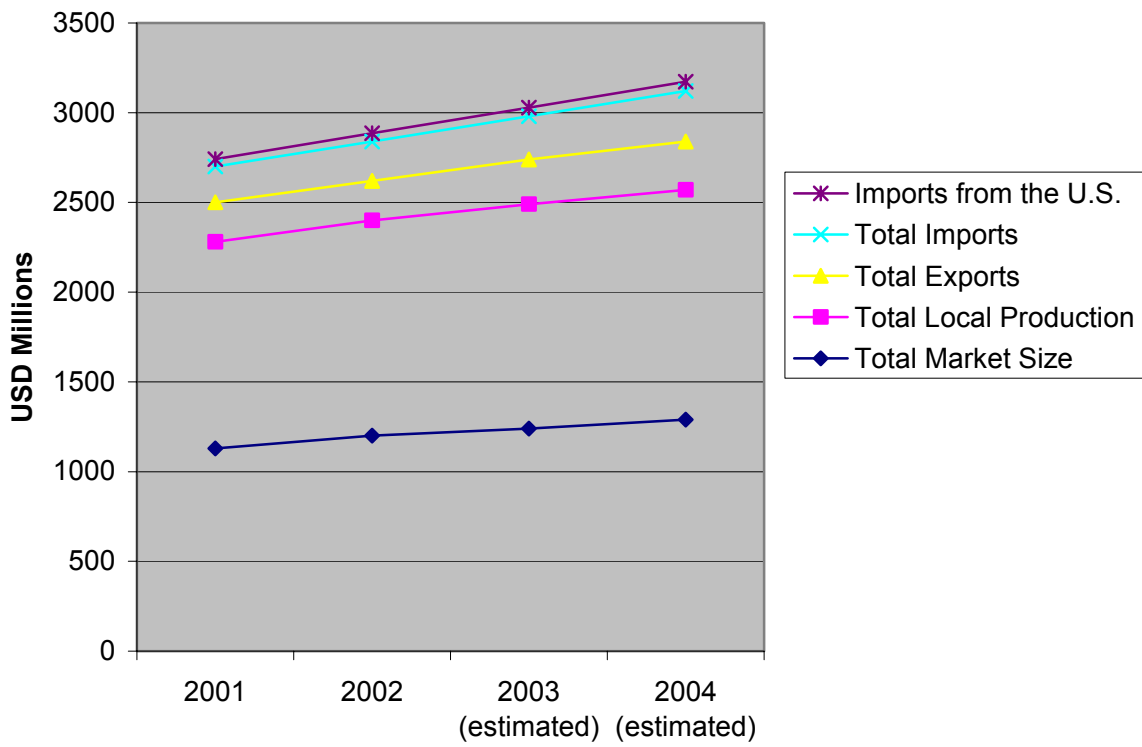
Stabilizing macro-economic conditions have encouraged increased consumer spending, which has led to additional demand for shopping malls and retail establishments. It is therefore no surprise Turkey's construction industry ranks third in importance after textile and agriculture. The construction industry is comprised of residential construction (58% of industry share), transportation and civil infrastructure (23% of industry share), and non-residential structures such as tourism infrastructure and commercial buildings (19% of industry share). The Turkish construction industry employs over 675,000 people and the total market size for building materials and construction services is \$3 billion.



### **U.S. Position**

Due to Turkey's consistent strength in the conventional building materials industry, U.S. imports are usually in the form of luxury products such as accessories, flooring, wallpapers, prefabricated door panels or plumbing fixtures to name a few. U.S. window and door suppliers are already prominent in this market. In 2000, the U.S. share of building materials in the Turkish market was valued at around \$90 million, representing approximately 13% of the overall market. The U.S. share in the roofing and siding materials market is around 2.3%. U.S. companies active in Turkey include Sander Woodworking for steel sidings, and Certaintect and Gentek for vinyl sidings. The U.S. currently dominates the import segment of the door and window-frame sub sector of building products and construction materials.

### Architectural and Engineering Services Market in Turkey



### Architectural and Engineering Services Market in Turkey

USD Millions	2001	2002	2003 (estimated)	2004 (estimated)
Total Market Size	1130	1200	1240	1290
Total Local Production	1150	1200	1250	1280
Total Exports	220	220	250	270
Total Imports	200	220	240	280
Imports from the U.S.	42	45	48	52

### Competition

The Government of Turkey is the main financier of infrastructure projects and public services. Also, a joint project between the GOT and the World Bank aimed at rehabilitating roads in major tourist destinations around the country is currently underway. The Government of Turkey has signed a protocol with the Japanese Government for the financing of a Bosphorus tunnel connecting Europe and Asia to ameliorate Istanbul's traffic problems. U.S. companies also face still competition from Chinese and Korean companies in this market.

## **Commercial Opportunities**

A growing tourism sector increased the demand for thermal spas, ski resorts, golf resorts, transportation infrastructure (i.e. highway development), and airport development. There is increasing demand for products in the tourism infrastructure development such as wastewater treatment facilities, portable equipment for measuring seawater and soil pollution, and golf infrastructure.

Within Turkey's building materials industry, commercial opportunities exist in flooring, window frames and doors. With a current market of \$560 million, the roofing and siding materials market is expected to grow 10% per year for the next three years. The most popular products include glass, and aluminum (especially in commercial buildings), as well as vinyl, granite ceramics, PVC and fiber cement boards in terms of siding materials. The most popular roofing materials are tile roofs (red bricks), which have the largest share in the roofing materials market with close to a 75-80% market share. The best sales prospects in the window frames and doors industry include sophisticated products such as raised floors, rugs, floorings of PVC types for commercial buildings, window frames and doors in wood, aluminum windows and frames.

## **Contact Information**

U.S. Commercial Service has three offices in Turkey (Ankara, Istanbul and Izmir) dedicated to helping U.S. companies export to this fascinating and growing market for U.S. business. We can help locate a suitable representative for your products or services, conduct a background check on a prospective business partner or distributor, and help you when bidding on a government tender.

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